

# Economic Impacts of Caltrain Modernization

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# THE SYSTEM

- Launched by Southern Pacific in 1863, Caltrain passes through **17 cities**, spanning **3 counties** and serves over **3 million residents**.
- Today, Caltrain provides over **40,000 daily trips** and is growing rapidly along with the fast-growing technology companies of Silicon Valley, the Peninsula and San Francisco.





# THE PROJECT

- Replacement of existing diesel locomotives and train cars with Electric Multiple Unit (EMU) trains.
- Construction of associated power infrastructure, known as the Overhead Contact System (OCS).
- Installation of Positive Train Control (PTC), a modern signaling and train control system.
  - *Federal mandate requires PTC by 2015.*



Image courtesy of Caltrain

# COST

| Project Component              | Estimated Cost (\$ Millions) |
|--------------------------------|------------------------------|
| Electrification Infrastructure | 785                          |
| Advanced Signal System         | 231                          |
| EMU Trains                     | 440                          |
| <b>Total</b>                   | <b>1,456</b>                 |



# ECONOMIC BENEFITS

**Come in three categories:**

- ◆ Local jobs and economic activity during construction,
- ◆ Changes in real property values, and
- ◆ The economic value associated with improved service

# CONSTRUCTION IMPACTS

- Of the \$1.456 total project cost, it is estimated that around \$1.11 billion will be spent in the Bay Area.
- The resulting impact of \$1.11 billion in construction expenditure:
  - **4,500 FTE job-years in the construction sector alone.**
  - **Almost 9,600 FTE job-years in total.**
  - **\$951 million in increased economic output (GDP).**

# PROPERTY VALUE IMPACTS

- The Caltrain Modernization Program is likely to increase property values and property taxes near Caltrain:
  - Enhanced service in the form of faster trip times and/or more frequent service will affect the desirability of properties near Caltrain stations.
  - Environmental factors such as improved air quality, reduced vibration levels and altered noise patterns will affect properties near the tracks, and new power facilities may aesthetically impact adjacent properties.
  - Increases in property values will also have an effect on overall property tax collections.
- The total value of the Caltrain Modernization Program on property values is a positive **\$904.5 million**.





## TOTAL IMPACT

- Overall economic benefits of up to **\$2.5 billion**.
- Almost **9,600 FTE job-years**.
- Property values in locations near Caltrain stations to increase by up to **\$1 billion**, stemming from enhanced service.
- Benefits to riders of up to **\$371 million** in time savings
- Increase in property tax revenues by up to **\$59 million** for local governments.
- Generation of **\$71 million** in state and local taxes.

## OTHER BENEFITS

- Reduces greenhouse gas emissions and unhealthy diesel particles by replacing existing diesel trains with electric trains.
- Electrification/Modernization increases ridership capacity of the overall system, allowing Caltrain to keep pace with record, growing ridership.
- Improved service will attract more riders and increase revenue, reducing the annual subsidy required to operate the system.
- Increased demand for Transit Oriented Development.



Transbay Transit Center cross-section. Rendering courtesy of the Transbay Joint Powers Authority

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